

Overdue Notice: Using Virtual Marking to Modernize Trademark Notice Requirements

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ABSTRACT

Federal trademark registration confers a wide variety of benefits to trademark owners, including the right to recover actual damages or an infringer's profits in an infringement action. The Lanham Act restricts the ability for trademark owners to recover these damages, however, if they do not provide either public notice of their mark or if the infringer does not have actual notice of the mark's federal registration. These requirements have remained relatively unchanged since the Lanham Act's enactment in 1946 and, to date, have received little attention. As these statutory requirements receive little attention, trademark infringement actions rely upon a private scheme of notice through cease-and-desist letters, which creates little incentive for trademark owners to provide notice to the public that their marks are indeed authentic.

After the Court's decision in Romag Fasteners removed a willfulness requirement to the disgorgement remedy, however, these notice requirements are beginning to receive increased attention as one of the only statutory bars to monetary recovery. Parties asserting arguments based on these notice requirements are left with scant doctrine and uneven applications that often reward willful blindness over prudent trademark selection.

This Note explores virtual marking as a solution to revive trademark notice requirements, serve as a backbone to how courts can calculate damages awards, and reincorporate the public into the trademark notice scheme. The America Invents Act successfully incorporated virtual marking into the patent notice scheme, bringing a similar statutory scheme into the twenty-first century. After exploring the statutory and historical bases for trademark notice requirements, this Note explores how virtual marking may be even more useful in the trademark context and illustrates a framework for incorporating this modern scheme.

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I. INTRODUCTION

Facebook is no stranger to the world of trademark infringement.¹ When the company announced that it would become Meta to better reflect its ever-expanding brand, however, Facebook was on the receiving end of threatened infringement litigation. Two companies, META PCs and MetaCompany, announced that they would pursue infringement claims against Facebook after

¹ See, e.g., Facebook, Inc. v. Teachbook.com L.L.C., 819 F. Supp. 2d 764 (N.D. Ill. 2011); Facebook, Inc. v. Power Ventures, Inc., No. C 08-5780 JF (RS), 2009 WL 1299698 (N.D. Cal. May 11, 2009).

Facebook's preannouncement negotiations with each company could not settle.²

Both MetaCompany and META PCs are relatively small companies. Using Facebook itself as a proxy for each brand's reputation,³ MetaCompany amassed only 302 followers even after their trademark infringement allegations;⁴ similarly, META PCs had 5,561.⁵ Despite these companies' low brand awareness, the two are considered "senior users" to their marks because the companies were first to register priority in their respective META marks, while Facebook is a "junior user" for adopting its mark after these companies did.⁶ MetaCompany's website and social media pages, launched after Facebook's big announcement, display the ® symbol next to the company's moniker yet do not offer any products for sale.⁷ While META PCs had a pending registration with the U.S. Patent and Trademark Office (USPTO) at the time of its negotiations with Facebook, the application had yet to be finalized.⁸

Yet it is unclear whether Facebook could be required to pay damages to these prior users of the META mark. Why? Neither of these companies displayed "statutory notice," as defined by the Lanham Act,⁹ of their marks.¹⁰ This means that neither company put an ® next to its trademark on its products. META PCs could not attach the ® symbol to the META PCs mark since its mark

² See Katie Canales, *A Startup Says It Applied to Trademark Meta Before Facebook—But It May Be Willing to Stand Down If Zuckerberg Pays Up*, BUS. INSIDER (Nov. 2, 2021), <https://perma.cc/ZCU3-HPU6>; Nate Skulic, *Facebook Stole Our Name and Livelihood*, METACOMPANY, <https://perma.cc/5VDV-6MS9>.

³ At least one court has included Facebook and Instagram followers to describe the parties in a trademark infringement claim where the trademark owner is less well-known than the new entrant. See *Thrive Natural Care, Inc. v. Thrive Causemetics, Inc.*, No. CV 20-9091 PA (ASx), 2021 WL 4813257, at *1 (C.D. Cal. Oct. 6, 2021) (listing follower counts for parties, indicating that the alleged infringer had over seventy times as many followers on Facebook and Instagram than the trademark owner).

⁴ *MetaCompany*, FACEBOOK, <https://perma.cc/9G64-69DL>.

⁵ *META PCs*, FACEBOOK, <https://perma.cc/59Z3-HUGD>.

⁶ See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:10 (5th ed. 2021) (defining junior and senior users of marks in the context of reverse confusion cases).

⁷ See Skulic, *supra* note 2.

⁸ See Canales, *supra* note 2 ("The filings [for federal trademark registration] haven't been approved—the filings are still listed as "live"—meaning Meta PC doesn't own the "Meta" brand just yet.").

⁹ 15 U.S.C. § 1111.

¹⁰ See *id.* (defining statutory notice for trademarks).

did not receive registration,¹¹ and MetaCompany did not publicly sell any products using the METACOMPANY mark.¹²

The Metaverse is emblematic of a larger, newly reinvigorated problem in trademark law—the availability of large damages awards in trademark suits without giving notice of the mark to the alleged infringer or the public. This concern largely went unnoticed until the Supreme Court’s decision in *Romag Fasteners, Inc. v. Fossil, Inc.*,¹³ when the Court overrode the traditional willfulness requirement to disgorge a trademark infringer’s profits. “Disgorgement is a strong medicine” that allows plaintiffs to recover more than their own damages by taking the infringer’s profits,¹⁴ and it therefore has long been tied to some notion of willful intent or recklessness.¹⁵ *Romag Fasteners* exposes every alleged infringer to this extraordinary award regardless of if they possessed knowledge of the mark in question or took prudent steps to assess whether their mark would infringe upon another’s mark.¹⁶ Now, insufficient notice is the only defense against liability for monetary damages that alleged infringers can readily assess prior to trial—a costly process that can encourage settlements on even the weakest trademark claims.¹⁷

The need for a pretrial limit to the disgorgement remedy becomes clear in the modern world as courts continue to recognize infringement claims for reverse confusion where a disgorgement award can substitute for unproven actual damages.¹⁸ Yet the textual basis for this limitation, 15 U.S.C. § 1111, remains locked in a 1946 reality. Ambiguous language makes this limit almost unusable, leaving parties and courts searching for the correct way to approach this provision. Because the current notice requirements do not reflect the realities of the modern world, the requirements create potential windfalls for

¹¹ See 15 U.S.C. § 1111 (stating that only “a registrant of a mark registered in the Patent and Trademark Office” may use the ® symbol).

¹² Trademarks must be “use[d] in commerce” to qualify for protection and limited “token” sales do not satisfy this requirement. See *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1266 (5th Cir. 1975) (describing use in commerce and token sales).

¹³ *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492 (2020).

¹⁴ *Kansas v. Nebraska*, 574 U.S. 445, 485 (2015) (Thomas, J., dissenting in part).

¹⁵ *Id.* at 462.

¹⁶ See 140 S. Ct. at 1497 (concluding that willfulness is not an “inflexible precondition” to the disgorgement remedy).

¹⁷ While 15 U.S.C. § 1114(2) also prevents these forms of remedies, that provision is limited to publishers who are “innocent infringers,” like those who may commit vicarious infringement through advertisements or other communications purchased by infringers without knowing they contain infringing marks.

¹⁸ See, e.g., *Thrive Natural Care, Inc. v. Thrive Causemetics, Inc.*, No. CV 20-9091 PA (ASx), 2021 WL 4813257, at *5 (C.D. Cal. Oct. 6, 2021) (allowing disgorgement theory of recovery to proceed past summary judgment in a reverse confusion case with no evidence of willfulness in light of *Romag Fasteners*).

relatively unharmed trademark owners in several stages of litigation. Further, these unclear requirements have created an informal norm of trademark owners using private cease-and-desist letters to inform specific infringers of their trademark rights, putting public notice of marks on the backburner.¹⁹

Trademark owners can pursue monetary damages under 15 U.S.C. § 1111 only when the company attaches statutory notice of the federal registration of the mark to the good or service (meaning attaching the ® symbol or a statement that the mark is “Registered in the U.S. Patent and Trademark Office”).²⁰ Absent this statutory notice, the trademark owner must produce proof of the defendant’s “actual notice” of the mark’s federal registration to pursue monetary damages.²¹

Unlike similar requirements in patent and copyright law, the Lanham Act’s notice requirement has remained relatively untouched since the Act’s passage in 1946. The section’s amendment history has only made these notice requirements less clear.²² Indeed, while the two options to fulfill the notice requirement may have made sense under the original 1946 Act, the provisions create unclear requirements and questionable incentives today. Such distinctions may make a large coffee company unable to pursue monetary damages because their cups do not attach an ® next to the name of their shop printed on them. At the same time, the scheme allows for a tiny store operator who displays the ® symbol next to the name of their mark on goods sold in Oregon to receive damages from an alleged infringer in Vermont. Further, since courts disagree about what constitutes “actual notice” of a trademark,²³ trademark owners can pursue a monetary remedy without putting the alleged infringer, let alone the public, on notice of their marks before suit. On the other hand, some blatant infringers may find comfort in the statute’s actual notice loophole when a trademark owner fails to comply with formalistic and impractical procedures.

¹⁹ See *infra* Part V.B.

²⁰ 15 U.S.C. § 1111.

²¹ *Id.*

²² A 1962 textual amendment changed the requirement so that a registrant only needs “to give such notice of registration” instead of placing the notice “so as to mark goods bearing the registered mark.” Pub. L. No. 87-772, 76 Stat. 773 (1962). A 1988 textual amendment removed the phrase “as used” because it was “unnecessary and confusing” after the 1962 amendment. Pub. L. No. 100-667, 102 Stat. 3943 (1988); S. Rep. No. 515, at 37 (1988). There have been no other substantive amendments to the provision.

²³ See *infra* Part IV.

As the scarcity of trademarks continues to escalate and the barriers to receiving monetary damages continue to lessen,²⁴ it is imperative to reexamine the statutory basis for such remedies in the modern landscape. This Note argues for comprehensive reform to the Lanham Act's notice scheme that amends the Lanham Act to require that notice of registration is either attached to the good or service or that such registration is linked on a web address for the marked good or service—also known as “virtual marking”— and removes actual notice from the Lanham Act's scheme. Additionally, this Note proposes a way to use “virtual marking” to assess the appropriateness of damages awards, departing from the Lanham Act's current “all-or-nothing” approach to monetary relief.

This Note begins by examining why the trademark notice system has long gone relatively unnoticed—the willfulness bar to the disgorgement remedy which used to be common prior to *Romag Fasteners* typically limited the need for courts to inquire into whether a trademark owner gave notice of their mark. Part III takes a closer look at 15 U.S.C. § 1111 and the interplay between constructive, statutory, and actual notice within the Lanham Act. Part IV then examines the scattered and relatively unexamined principles underlying courts' interpretation of trademark notice. These background principles illustrate inconsistency and undermine the ability to determine if a trademark owner has satisfied the Lanham Act's notice requirements before handing the issue to a jury. This Note then explores the underlying objectives of trademark law and ultimately concludes that the current trademark notice regime fails to serve these objectives.

With this background in mind, Part VI of this Note explores how to modernize the Lanham Act's notice requirements and incentivize good-faith efforts from both trademark owners and new mark users to provide the public with notice of registered marks and refrain from adopting marks already in use in their field. This approach decreases opportunities for strike suits, shakedowns, and plaintiff windfalls while also addressing problems of willful blindness and the inadequacy of bifurcated notice requirements in an integrated modern economy. This proposed solution restructures statutory trademark notice to closely resemble the “virtual marking” provision in the America Invents Act,²⁵ removes actual notice entirely, and revokes the

²⁴ See Daniel J. Hemel & Lisa Larrimore Ouellette, *Trademark Law Pluralism*, 88 U. CHI. L. REV. 1025, 1030 (noting that “while open marks are plentiful, open marks *close to the linguistic core but still spaced out from one another* are scarce”).

²⁵ Pub. L. No. 112–29, 125 Stat. 284 (2011) (codified at 35 U.S.C. § 100).

availability of monetary damages for unregistered marks. This approach modernizes these obsolete notice requirements, reflects modern norms in commerce, and allows judges to decide whether a party may pursue monetary damages at the outset of litigation.

To help justify these modifications, this Note examines similar dilemmas over statutory notice requirements in patent law. This new approach also draws upon current trends towards acknowledging the increasing role technology can play in determining whether a mark is infringed. Particularly, mandating statutory notice to occur online would further the reliability of Professor Lisa Larrimore Ouellette’s “Google test” to determine if infringement has occurred.²⁶

With trademark owners incentivized to provide readily accessible notice online, courts may use these virtual markings as part of a comprehensive toolkit when assessing an infringer’s mental state and may use such evidence as an important determination in calculating any damages award. By comparing the availability of the senior user’s mark in commerce and the steps the junior user took to determine whether their use would be infringing, courts can make a sensible determination of comparative prudence. This may prove to be a useful tool to allow for awards of some—but not all—profits after an infringement finding, particularly if the Lanham Act is amended to move away from its current “all-or-nothing” approach to monetary damages.²⁷ Additionally, this simplified approach assuages the concern that statutory notice requirements may be used as a part of abusive litigation tactics that lead to windfalls for trademark owners and willful blindness for infringers.²⁸

II. *ROMAG FASTENERS* AND THE WILLFULNESS VOID FOR PRETRIAL BARS TO MONETARY RELIEF

Unlike similar provisions in copyright and patent law, trademark notice requirements rarely get litigated and have remained under the surface. This is not by accident—few alleged infringers without notice of the senior user’s mark had to worry about the threat of a disgorgement remedy before the Supreme

²⁶ Lisa Larrimore Ouellette, *The Google Shortcut to Trademark Law*, 102 CALIF. L. REV. 351 (2014).

²⁷ See Tony Bortolin, *Awarding Some Profits Against Unintentional Infringers*, 110 TRADEMARK REP. 930, 959-60 (2020) (advocating for this approach).

²⁸ See generally Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625 (2011) (trademark trolls); Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008) (strike suits).

Court's decision in *Romag Fasteners, Inc. v. Fossil, Inc.*²⁹ This decision removed a widespread requirement that an infringement be "willful" for a trademark owner to disgorge an infringer's profits, a bar that generally required notice of the senior user's mark at a minimum.

A. *The Equitable Willfulness Bar and Romag Fasteners*

Aside from § 1111's notice requirement, 15 U.S.C. § 1117(a) generally provides that monetary relief must be awarded according to "principles of equity."³⁰ Before *Romag Fasteners*, most circuits acknowledged that these "principles of equity" barred plaintiffs from recovering an alleged infringer's profits when the infringer did not act "willfully"—though this willfulness requirement is nowhere to be found in the Lanham Act.³¹ As the Second Circuit recognized in *George Basch Co. v. Blue Coral, Inc.*,³² the willfulness requirement was "necessary to avoid the conceivably draconian impact that a profits remedy might have in some cases."³³ The Ninth Circuit took this reasoning one step further, only allowing the disgorgement remedy when "the infringement is willfully calculated to exploit the advantage of an established mark."³⁴ This interpretation effectively barred monetary recovery in reverse confusion cases, which occur when a senior user's mark is less established in the marketplace than the junior user's mark, which could drown out the senior user's mark in the marketplace.³⁵

Although the willfulness requirement only applied to the disgorgement remedy, actual damages are incredibly hard to estimate in infringement suits without resorting to guesswork and thus are less likely to be pursued.³⁶ As a

²⁹ 140 S. Ct. 1492 (2020).

³⁰ 15 U.S.C. § 1117(a).

³¹ See David Welkowitz, *Willfulness*[™], 79 ALB. L. REV. 509, 514-15 (2016) (discussing the judiciary's construction of the willfulness bar and circuits that formerly applied it).

³² 968 F.2d 1532 (2d Cir. 1992).

³³ *Id.* at 1540.

³⁴ *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1405 (9th Cir. 1993), *abrogated on other grounds by SunEarth, Inc. v. Sun Earth Solar Power Co.*, 839 F.3d 1179 (9th Cir. 2016).

³⁵ See *Am. Auto. Ass'n of N. Cal., Nev., and Utah v. General Motors LLC*, 367 F. Supp. 3d 1072, 1103 (N.D. Cal. 2019) (noting that the plaintiff could not "rely on a reverse confusion theory to disgorge GM's profits" because "several cases suggest that because reverse confusion cases do not involve an intent to exploit an existing mark, reverse confusion cases are not entitled to a finding of willfulness").

³⁶ See, e.g., *Thrive Natural Care, Inc. v. Thrive Causemetics, Inc.*, No. CV 20-9091 PA (ASx), 2021 WL 4813257, at *5 (C.D. Cal. Oct. 6, 2021) (noting that proof of actual damage is often difficult); *Covertch Fabricating, Inc. v. TVM Bldg. Prods.*, 855 F.3d 163, 177 (3d Cir. 2020) (vacating a disgorgement award when the record was insufficient to approximate actual damages).

practical result, few trademark infringement cases required an inquiry into whether the “principles of equity” warranted a monetary remedy absent the infringer’s willful deception.

Because the willfulness requirement to pursue a disgorgement remedy was widespread and had no textual basis in the Lanham Act, it naturally was ripe for challenge. *Romag Fasteners* provided a prime opportunity to strike down this requirement, as the lower court opinion featured the Federal Circuit trying to make some sense out of the well-established yet judicially invented requirement.³⁷ The Federal Circuit barred the trademark owner’s request for the disgorgement remedy based on a lack of willfulness.³⁸ The Federal Circuit saw “nothing . . . that allow[ed the court] to depart from Second Circuit precedent requiring willfulness for the recovery of profits in infringement cases.”³⁹

At the Supreme Court, the willfulness requirement met much more skepticism as the Court assessed “whether that categorical rule can be reconciled with the statute’s plain language.”⁴⁰ The case turned on a 1999 textual amendment to § 1117, which notes that “willfulness” is required to support monetary relief in trademark dilution claims.⁴¹ Justice Neil Gorsuch—reasoning that the Court is “doubly careful to avoid [reading words into statutes that aren’t there] when Congress has (as here) included the term in question elsewhere in the very same statutory provision”—found that this alone precluded keeping the willfulness requirement for a disgorgement remedy in place.⁴²

With the traditional willfulness requirement removed, the majority and concurring opinions stressed that willfulness remained a “highly important consideration” when determining whether to award a disgorgement remedy.⁴³ Justice Sonia Sotomayor’s concurrence went further, concluding that § 1117’s “principles of equity” cannot allow trademark owners to disgorge the profits of innocent or good faith infringers.⁴⁴ Indeed, Justice Sotomayor noted that historically the disgorgement remedy was solely intended to deprive

³⁷ See *Romag Fasteners, Inc. v. Fossil, Inc.*, 817 F.3d 782, 785–89 (Fed. Cir. 2016), *rev’d by* 140 S. Ct. 1492 (2020) (discussing diverging approaches to the willfulness requirement in the appellate courts).

³⁸ See 817 F.3d at 791.

³⁹ *Id.* at 791.

⁴⁰ *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492 (2020).

⁴¹ 15 U.S.C. § 1117(a) (post-1999 amendments).

⁴² 140 S. Ct. at 1495.

⁴³ *Id.* at 1497, 1497 (Alito, J., concurring).

⁴⁴ *Id.* at 1498 (Sotomayor, J., concurring in the judgment).

wrongdoers of their unearned gains.⁴⁵ Yet the Supreme Court’s ruling, in focusing on creating a post-judgment balancing test under which willfulness can only be a heavily weighted consideration, opens up *any* infringer to this special remedy. Without a categorical defense, every defendant must now incorporate the risk of disgorgement awards into their litigation strategy no matter how unintentional the alleged infringement. Further, the Court declined to establish a mens rea framework to guide how damages calculations may proceed once infringement is found.⁴⁶ Since “principles of equity” are only assessed at the end of litigation,⁴⁷ this leaves a large threat of monetary damages looming from the moment a senior user demands a junior user cease using a similar mark through the end of trial.

B. Reaction to *Romag Fasteners*

In the wake of *Romag Fasteners*, several scholars expressed concern in an amicus brief that removing the willfulness requirement for monetary damages would further encourage trademark owners to engage in “abusive litigation tactics.”⁴⁸ Because of the inherent difficulty in proving damages and the extent of the injury at the heart of a trademark infringement action, the concern about parties using these abuse litigation tactics are amplified now that the disgorgement remedy is unlocked for all trademark claims.⁴⁹ It is nearly impossible to determine what impact a similar mark entering the marketplace may have on the senior user’s existing product’s sales, and, in some cases, infringement may even raise the awareness and sales of a senior user’s brand. This disconnect between injury and remedy now allows for trademark owners to pursue a disgorgement remedy in cases without willful infringement that “far exceed[s] any measure of genuine harm or compensation.”⁵⁰

⁴⁵ *Id.*

⁴⁶ *Id.* at 1497 (determining that “the best place for reconciling competing and incommensurable policy goals like these is before policymakers”).

⁴⁷ “Principles of equity” are only mentioned once in the Lanham Act to describe what a plaintiff is entitled to “[w]hen a violation of any right of the registrant of a mark . . . shall have been established in any civil action arising under [the Lanham Act],” meaning there is no place to weigh these principles until an infringement finding is made. 15 U.S.C. § 1117(a).

⁴⁸ Brief on Behalf of Intellectual Property Law Professors as Amicus Curiae in Support of Respondent, *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492 (2020) (No. 18-1233), 2019 WL 6715407, at *21.

⁴⁹ *Id.* at *4-5.

⁵⁰ *Id.* at *19.

Trademark “trolls” can also emerge due to this permissive recovery scheme.⁵¹ Professor Leah Chan Grinvald has argued that trademark infringement suits are particularly prone to potential plaintiffs’ pursuits of relatively weak claims both due to the lack of causation needed to receive monetary relief and the few defenses available to alleged infringers.⁵² Further, scholars like Professor Kenneth L. Port have shown that trademark infringement cases are often “strike suits,” where trademark owners will send cease-and-desist letters even in meritless suits to try to secure settlement payments.⁵³ Indeed, only 1.3% of trademark suits make it to trial, meaning in the overwhelming majority of cases the parties themselves, not the jury, will have to determine whether monetary relief is appropriate.⁵⁴ Instead of being able to rely on the willfulness bar to prevent the chance of disgorgement before trial,⁵⁵ alleged infringers may now be more inclined to settle suits to avoid risking an infringement finding and, therefore, a large damages award.

While not every court applied the willfulness requirement, two prime circuits for trademark litigation—the Second and the Ninth—both required willfulness to disgorge profits.⁵⁶ Although the impacts of *Romag Fasteners* are still to be seen, it is plausible that more trademark owners will commence infringement suits or send “abusive” cease-and-desist regardless of if the alleged infringer’s conduct was willful to induce settlements. Crucially, with the most-utilized bar to trademark infringement monetary recoveries removed, it is likely that litigants will increasingly turn to § 1111’s notice requirements to make a last-ditch attempt at avoiding monetary damages.

III. DETANGLING CONSTRUCTIVE, STATUTORY, AND ACTUAL NOTICE

First enacted in 1946, the Lanham Act established the national trademark registration system and provided remedies for trademark owners whose mark

⁵¹ *Id.* at *22.

⁵² See generally Grinvald, *supra* note 28.

⁵³ See generally Port, *supra* note 28.

⁵⁴ *Id.* at 588-91 (describing strike suits).

⁵⁵ Compare Am. Auto. Ass’n, 367 F. Supp. 3d at 1103 (granting summary judgment on motion to remove disgorgement theory from infringement action before *Romag Fasteners*), with Thrive Natural Care, Inc. v. Thrive Causemetics, Inc., No. CV 20-9091 PA (ASx), 2021 WL 4813257, at *5-6 (C.D. Cal. Oct. 6, 2021) (denying summary judgment on motion to remove disgorgement theory from infringement action after *Romag Fasteners* because the remedy was available “as a matter of law”).

⁵⁶ See, e.g., *George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532, 1537; *Stone Creek, Inc. v. Omnia Italian Design, Inc.*, 875 F.3d 426, 440–41 (9th Cir. 2017).

(or a similar mark) was used by a competitor.⁵⁷ Somewhat confusingly, this system requires a careful dance between different notice requirements for a trademark owner to become eligible for monetary and injunctive relief upon infringement of their mark. As a result, parties do not strictly follow the Lanham Act's prescribed notice requirements. Further, courts often fail to recognize the interplay between these forms of notice and implement differing standards for when a party has received adequate notice of a mark.

In this Part, I describe the three types of notice—constructive, statutory, and actual—as defined in the Lanham Act. Throughout this section, I demonstrate the applicability of each provision to a hypothetical infringement scenario between two cupcake shops.⁵⁸ This example uses a straightforward interpretation of each provision to highlight what would happen in practice to our cupcake competitors.

A. *Constructive Notice*

To encourage entities to seek federal protection for their mark, federal registration under the Lanham Act confers wide and broad benefits.⁵⁹ For the purposes of this Note, the most important benefit is provided under 15 U.S.C. § 1072.⁶⁰ This provision states that the federal registration of one's mark "shall be *constructive notice* of the registrant's claim of ownership thereof," effectively allowing the owner of a federally registered mark to sue anyone for using a mark similar to theirs, even if the junior user had no knowledge the senior user's mark.⁶¹ Because all federally registered marks appear in the U.S. Patent and Trademark Office (USPTO)'s Trademark Electronic Search System (TESS),⁶² which is free for anyone to search on the internet, the broad reach of the constructive notice provision is likely justified. Even if the alleged infringing mark does not compete in the same geographic area as the senior user's mark,

⁵⁷ 15 U.S.C. §§ 1051-1141.

⁵⁸ While a donut shop may be more appropriate for trademark infringement examples (*see Dawn Donut Co. v. Hart Food Stores*, 267 F.2d 358 (2d Cir. 1959)), I believe cupcakes are the superior sweet treat.

⁵⁹ *See Why Register Your Trademark*, U.S. PAT. & TRADEMARK OFF., <https://perma.cc/2KKC-SUEX>.

⁶⁰ 15 U.S.C. § 1072.

⁶¹ *Id.* (emphasis added). This benefit only applies to marks that are inherently distinctive or have acquired distinctiveness through secondary meaning. *See* 15 U.S.C. § 1052(f).

⁶² *Trademark Electronic Search System (TESS)*, U.S. PAT. & TRADEMARK OFF., <https://perma.cc/AG86-RXFJ>.

the provision still affords the senior user “nationwide protection” and allows them to seek injunctive relief against these junior users.⁶³

For example, suppose a baker located in California launches a website called Cuppy’s Cakes to sell delicious baked goods to consumers with availability to ship to California, Nevada, and Arizona. The baker then pursues and receives federal registration for the CUPPY’S CAKES mark on baked goods. As a result, the California baker may now bring suit against a new, unrelated cupcake shop in Chicago called CuppyCake for trademark infringement.⁶⁴ This action will be sustained even if the Chicago cupcake connoisseur did not know about the Californian’s website until they are served notice of the lawsuit—as the junior user, they are automatically on constructive notice of the senior user’s mark.

In contrast, unregistered marks do not receive the constructive notice benefit.⁶⁵ Without the nationwide protection afforded to registered marks, these symbols may be federally protected through a false designation of origin claim under 15 U.S.C. § 1125(a),⁶⁶ but the senior user would need to establish that the junior user had some awareness of the senior user’s mark before the junior user adopted their similar mark. While Cuppy’s Cakes may be able to use state law to assert an infringement claim against a CuppyCake store in Los Angeles,⁶⁷ the Chicago-based CuppyCake is certainly unreachable so long as the Chicago storeowner is unaware of the CUPPY’S CAKES mark and it is not “widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”⁶⁸

⁶³ *First Sav. Bank v. First Bank Sys., Inc.*, 101 F.3d 645, 651 (10th Cir. 1996) (describing the history of the constructive notice provision and describing its nationwide protection).

⁶⁴ Note that if the CUPPYCAKE store opened before the CUPPY’S CAKES mark was registered, then CUPPYCAKE may still operate its existing stores without fear of an infringement suit, though further expansion beyond the store’s current geographic market is likely unavailable. *Cf. Burger King of Fla., Inc. v. Hoots*, 403 F.2d 904, 907 (7th Cir. 1968) (describing how restaurant owners who adopted the name Burger King for restaurant in Illinois before Florida business federally registered the BURGER KING mark were “prior good faith users [that] are to be protected in the area they had appropriated [a twenty mile radius of the town where the restaurant is located]”).

⁶⁵ Marks that are “merely descriptive” can only be registered on the Supplemental Register rather than the Principal Register and as a result also do not receive the constructive notice benefit. 15 U.S.C. § 1052(e).

⁶⁶ *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (concluding that “it is common ground that [§ 1125(a)] protects qualifying unregistered trademarks”).

⁶⁷ *See, e.g., Grupo Gigante S.A. v. Dalle & Co.*, 391 F.3d 1088, 1100 (9th Cir. 2004) (describing common law doctrine within California where the first user of a trademark, either within or beyond state lines, has priority rights to the mark).

⁶⁸ 15 U.S.C. § 1125(c)(2) (describing criteria for famous marks in trademark dilution suits).

B. *Statutory Notice*

Despite the Act's broad allowance for constructive notice, however, monetary remedies are mostly unavailable to a mark's senior user without at least one other type of heightened notice. Awards of actual damages or disgorgement of the infringer's profits is explicitly "subject to the provisions of section 1111."⁶⁹ Section 1111 details how trademark owners may provide *statutory notice* of their federal registration and notes that "no profits and no damages shall be recovered" without one of two forms of notice in addition to constructive notice under § 1072.⁷⁰ One of these forms allows the trademark owner either to attach the phrase "Registered in the United States Patent and Trademark Office" (or "Reg. U.S. Pat. & Tm. Off.") or to affix the ® symbol to the mark.⁷¹ Trademark owners may then pursue monetary relief for any infringement that occurs after such marking is made.

Returning to our example, let's apply this new layer of statutory notice to Cuppy's Cakes. Cuppy's Cakes attaches the ® symbol to the CUPPY'S CAKES mark on its shipped cupcake boxes, and therefore has established statutory notice of the mark. Shortly thereafter, the Chicago-based CUPPYCAKE store opens. In this instance, the Californian Cuppy's Cakes may not only sue the Illinois-based CuppyCake for trademark infringement but also pursue CuppyCake's profits and any damages Cuppy's Cakes can show it sustained due to the Chicago store use of the trademark. Since the ® symbol had been placed on the CUPPY'S CAKES cupcakes before the Chicago store's inception, Cuppy's Cakes may disgorge all of the Chicago store's profits. Note that in this scenario, the Chicago store likely does not receive actual notice from the CUPPY'S CAKES owner of the CUPPY'S CAKES mark's registration until it is served notice of the lawsuit since the CUPPY'S CAKES mark may not have reached Illinois.

C. *Actual Notice as an Alternative*

Finally, § 1111 specifies that if a trademark registrant does not provide statutory notice of their mark, then "no profits and no damages shall be recovered . . . unless the defendant had actual notice of the registration."⁷² In

⁶⁹ 15 U.S.C. § 1117(a). The only type of monetary relief that is not bound by § 1111 is an award of the costs of the action.

⁷⁰ 15 U.S.C. § 1111.

⁷¹ 15 U.S.C. § 1111; *see also Notice*, BLACK'S LAW DICTIONARY (11th ed. 2019) (stating that "[t]he most common [type of trademark statutory notice] is the symbol with the letter R (®)").

⁷² 15 U.S.C. § 1111 (emphasis added).

contrast to statutory notice, the act itself does not define this actual notice alternative.

Without a definition in the statute itself, one logical place to look to determine what constitutes this “actual notice” is, as you may have guessed, the dictionary.⁷³ Currently, Black’s Law Dictionary defines actual notice as “notice given directly to, or received personally by, a party.”⁷⁴ Under this definition, then, actual notice in trademark suits would seem to require the delivery of some notice of the senior user’s federally registered mark, not the senior user’s intellectual property rights generally or other ambiguously asserted rights, delivered directly to the alleged infringer. Commonly, this may come in the form of a cease-and-desist letter. As discussed further in Part IV, patent law follows this definition and requires a patent holder to give affirmative notice to an alleged infringer before damages may accrue even though a granted patent automatically puts the public at large on constructive notice.⁷⁵

Actual notice, however, may also be interpreted to apply when the circumstances surrounding a claim show a person had actual knowledge of the fact in question. Courts utilized this “actual knowledge” definition of actual notice around the time of the Lanham Act’s enactment.⁷⁶ Indeed, the U.S. Trademark Association advocated for the inclusion of the actual notice to “enlarge the provision” when a preliminary draft of the Lanham Act allowed only statutory notice to be adequate to expose alleged infringers to monetary damages.⁷⁷ In a letter, the U.S. Trademark Association suggested that “actual notice of the registration” may be used in the alternative to statutory notice to capture alleged infringers who were in some way aware of the registered mark.⁷⁸ So long as an alleged infringer knew of a mark’s federal registration, most likely from finding the mark in TESS, then their knowledge would satisfy this test.

To return to the cupcake competitors hypothetical, imagine senior user Cuppy’s Cakes does not attach the ® symbol to its CUPPY’S CAKES cupcake boxes. To pursue its actual damages and the Chicago store’s profits, the Chicago

⁷³ See, e.g., *Wis. Cent. Ltd. v. United States*, 138 S. Ct. 2067, 2070 (2018) (stating that the Court’s “job is to interpret the words consistent with their ordinary meaning at the time Congress enacted the statute” (internal quotations omitted)).

⁷⁴ *Notice*, BLACK’S LAW DICTIONARY (11th ed. 2019).

⁷⁵ See *infra* Part IV.

⁷⁶ See *Notice*, BLACK’S LAW DICTIONARY (4th ed. 1951).

⁷⁷ H.R. 9041, 75th Cong., 64 (1938) (brief submitted by the U.S. Trademark Ass’n).

⁷⁸ *Id.*

store must have actual notice of the California baker's federal registration. Certainly, if CuppyCake continues to use the CUPPYCAKE mark after Cuppy's Cakes has served its infringement suit, Cuppy's Cakes can pursue monetary relief for damages and profits sustained only after the suit was filed. This is because a formal complaint satisfies any definition of "actual notice." If the Californian Cuppy's Cakes was more proactive and sent CuppyCake a cease-and-desist letter demonstrating that the CUPPY'S CAKES mark had federal registration, however, then Cuppy's Cakes can pursue monetary relief for damages that start to accumulate on the date that CuppyCake received the letter.

D. Flaws in the Current Notice Structure

So far in our example, the three notice tiers seem relatively concrete and easy to apply. But what if CuppyCake had devised its name after visiting the CUPPY'S CAKES website that did not display any notice of the federal registration? Or what if CuppyCake sees the CUPPY'S CAKES mark on TESS after crafting an entire marketing campaign around the CUPPYCAKE mark but determines its mark is different enough from the CUPPY'S CAKES mark and uses it anyway? In these scenarios, Cuppy's Cakes does not give any notice of the CUPPY CAKE'S mark's federal registration despite CuppyCake's awareness of the brand. Even though the junior user knew of the marks in question, the senior user never took an affirmative act to establish notice of the mark. Such a situation fails to conform to a strict definition of actual notice yet evinces an infringer's actual knowledge of federal registration. In practice, this distinction leads to differing results. As explored below in Part III.B, courts may either determine that the senior user's lack giving of notice deprives them of being able to keep profits and damages remedies in their complaint, leaves "actual notice" as a fact issue for the jury, or decides that the senior user's lack of notice does not change the availability of monetary relief whatsoever.⁷⁹

Further, it is uncertain if attaching the ® symbol to the website's picture of the CUPPY'S CAKES mark alone, rather than to a box of cupcakes, is sufficient to establish statutory notice. While the Lanham Act formerly specified that the good must be "so marked" to ensure statutory notice of the registration, references to marking a good in particular were eliminated during a textual amendment to the Lanham Act in 1962.⁸⁰ The legislative amendment was

⁷⁹ See *infra* Part IV.C.

⁸⁰ Trademark Act of 1946, Pub. L. No. 79-489, § 29, 60 Stat. 427, 436 (1946) (Prior to 1962 amendment).

intended to clean up the text by eliminating previous references to the 1905 Trade-Mark Act's⁸¹ registration system, and there is no mention or discussion of any change in the substantive rights of trademark owners due to this change in the amendment's legislative history.⁸² Thus, it is currently unclear if a website displaying the registered mark is enough to meet the statutory notice requirement.

As there is no way for an unregistered mark's owner to display notice of a nonexistent federal registration, unregistered marks are not bound by § 1111's notice requirements. Further, the alleged infringer must be on notice of the unregistered mark or trade dress in some way to be sued in the first place since only registered marks receive the constructive notice benefit. Courts, however, often bypass these issues, presume that monetary relief is appropriate for these actions, and allow monetary relief despite no statutory basis for these awards.⁸³ Both scholars and courts acknowledge that this is an odd system, yet the law has remained unchanged since 15 U.S.C. § 1125(a)⁸⁴—the section of the Lanham Act permitting infringement claims for unregistered marks—became explicitly linked to § 1117's remedies more than thirty years ago.⁸⁵

This lenity may stem from the wide variety of causes of action arising under § 1125(a). Namely, false advertising claims also flow from this provision and serve distinct policy objectives.⁸⁶ False advertising claims measure harm resulting from generally misleading claims in product's advertising rather than the harm stemming from the use of a confusingly similar trademark.⁸⁷ These claims became much more prominent towards the end of the twentieth

⁸¹ Pub. L. No. 98-620, 34 Stat. 3358 (1905) (repealed 1946).

⁸² See generally *Hearings Before Subcomm. No. 3 of the Comm. on the Judiciary*, 87th Cong. (1961).

⁸³ See, e.g., *EST v. Royal-Gro Prods.*, 526 F. Supp. 3d 943, 955 (allowing damages to accrue once an alleged infringer was on notice of individual's intent to register mark); *Blumenthal Dist. v. Herman Miller, Inc.*, 811 F. App'x 421, 421 (assuming unregistered trade dress could receive monetary damages without a clear statutory basis).

⁸⁴ 15 U.S.C. § 1125(a).

⁸⁵ See MCCARTHY, *supra* note 6, at § 19:144 (noting how because unregistered marks are not subject to § 1111, it is odd but true that no notice is needed to pursue damages on these claims); see also *GTFM, Inc. v. Solid Clothing, Inc.*, 215 F. Supp.2d 273, 306-07 (S.D.N.Y. 2002) (barring monetary recovery for trademark infringement only when the trademark was registered and statutory notice was not displayed but allowing for monetary recovery for window before registration).

⁸⁶ For trade dress infringement claims, see 15 U.S.C. § 1125(a)(3) (noting claims for unregistered trade dress under this chapter must prove the element is not functional).

⁸⁷ See Jean Wegman Burns, *Confused Jurisprudence: False Advertising Under the Lanham Act*, 79 B.U. L. REV. 807, 819-22 (1999) (describing the 1988 amendments to § 1125(a) which codified how courts interpreted the Lanham Act to encompass false advertising claims).

century,⁸⁸ leading to § 1117 being amended to specify what remedies applied to these claims.⁸⁹ Yet with the plain text of § 1111 unable to apply to unregistered marks,⁹⁰ courts continue to allow monetary recovery in claims for unregistered trademark infringement that would otherwise be unavailable for registered marks.

To summarize, the technical interplay between constructive, statutory, and actual notice creates questionable incentives for trademark owners and alleged infringers alike. Although these requirements have survived for over seventy-five years, a closer examination of the basis for this complex system and its effect on litigation practices is necessary to evaluate whether this system is still effective.

IV. HISTORICAL TRADEMARK NOTICE PRINCIPLES

Despite the lack of textual clarity concerning what the Lanham Act's notice requirements entail, there is "surprisingly little case law" about what counts as sufficient notice.⁹¹ These historical underpinnings demonstrate that before the Lanham Act, the availability of actual damages and disgorgement remedies was limited to instances where the alleged infringer was on either statutory or actual notice, and judges themselves were capable of deciding this question. The Lanham Act's notice requirements, however, never received a clear interpretation at the Supreme Court, leading to questionable applications of this strict bar to recovery. Due to *Romag Fasteners* removing the traditional willfulness requirement for the disgorgement remedy, there is now reason to find and argue for other bars to recovery before a trademark trial. It follows that increased attention on and even applications of § 1111's notice requirements are needed now more than ever. This Part identifies trademark notice requirements before the Lanham Act, mixed approaches to the current notice requirements, and the renewed focus on these notice requirements as pretrial bars to monetary recovery after *Romag Fasteners*.

⁸⁸ See *id.* at 817 n.17 (collecting sources detailing rise in false advertising claims starting in the 1970s).

⁸⁹ See MCCARTHY, *supra* note 6, at § 27:43 (describing monetary remedies for false advertising as encompassing actual damages or the false advertiser's profits).

⁹⁰ See 15 U.S.C. § 1111 (requiring notice of a registered trademark be given before profits or damages can be recovered).

⁹¹ Nat'l Prods. v. Akron Res., No. C15-1553RSL, 2017 WL 497678, at *1 (W.D. Wash. Feb. 7, 2017) (noting that "there is surprisingly little case law regarding permissible forms of notice under the Lanham Act").

A. *Origins of Actual Notice in Trademark Law*

Stark Brothers Nurseries and Orchards Co. v. Curtis,⁹² decided over 100 years ago, is the only time the Supreme Court has addressed trademark notice. Predating the Lanham Act's enactment, the decision relied upon the Trade-Mark Act of 1905.⁹³ In *Stark Brothers*, a senior user of a mark pursued both a profits award and a damages award against a junior user.⁹⁴ The senior user did not provide statutory notice by attaching the requisite notice of a federally registered mark to their product. Instead, the senior user sent the junior user a letter demanding that the user "discontinue the unfair competition and infringement upon our rights" two years before filing the infringement action.⁹⁵ The court below determined that the alleged infringer did not receive express actual notice of the mark's federal registration until about two weeks before the suit was filed.⁹⁶

The statutory structure of trademark law at the time did not allow for actual knowledge of a registered trademark to serve as actual notice. At the time, section 28 of the Trade-Mark Act of 1905 mirrored 15 U.S.C. § 1111's language almost exactly, except for the phrase "proof that the defendant was duly notified of infringement, and continued the same after such notice" instead of "actual notice of federal registration."⁹⁷ Relying upon this language, the *Stark Brothers* Court held that the senior user could not recover a profits or damages award before the date the senior user gave actual notice of the federal trademark infringement to the alleged infringer, just a few days before the suit.⁹⁸ In a concise opinion, Justice Oliver Wendell Holmes concluded that the "plain meaning of these words" necessitated confining any damages awards for the federal trademark infringement claims to only the time after which the infringer had actual notice of the federal registration, which was two years after the trademark owner sent the original cease-and-desist letter.⁹⁹

Once the Lanham Act came into place, however, this affirmative act requirement once clear in the text became ambiguous. At first, the Lanham Act merely provided for statutory notice, eliminating the option for a trademark

⁹² *Stark Bros. Nurseries & Orchards Co. v. Stark*, 255 U.S. 50 (1921).

⁹³ Pub. L. No. 98-620, 34 Stat. 3358 (1905) (repealed 1946).

⁹⁴ 255 U.S. at 51.

⁹⁵ *Id.* at 52.

⁹⁶ *Id.* at 51.

⁹⁷ Pub. L. No. 98-620 § 28, 34 Stat. 3358 (1905) (repealed 1946).

⁹⁸ 255 U.S. at 52.

⁹⁹ *Id.*

owner to pursue damages if they did not mark their products.¹⁰⁰ The first draft of what would become the Lanham Act eliminated the ability of a trademark owner to “duly notify” the infringer to recover damages or profits entirely and solely allowed recovery predicated on statutory notice.¹⁰¹ Advocating for renewing the fallback notification clause, the U.S. Trademark Association urged Congress to reinstate the option for the trademark owner to “actually notify” the alleged infringer if they did not attach statutory notice to their good or even *strengthen* the actual notice alternative by allowing a claim for monetary damages to proceed so long as the alleged infringer had actual knowledge of the infringed mark’s federal registration.¹⁰² When presented with these two choices, Congress opted for the latter, which remains codified in 15 U.S.C. § 1111 to this day.¹⁰³ Despite the origin of this language, future discussion of the original Lanham Act and the 1962 amendments focus on actual notice as an affirmative act. Indeed, at a 1961 congressional hearing, one testifying witness stated that act of actual notice “would normally be done by a letter telling [the alleged infringer], ‘You are infringing my trademark.’”¹⁰⁴

B. Mixed Approaches to Actual Notice: Creating a Factual Question

Once the Lanham Act became law, it took over a decade for a debate over § 1111’s requirement to make its way into a reported case. Once this happened, though, courts began to take an expansive reading of these requirements. *Admiral Corp. v. Sewing Machine Sales Corp.*¹⁰⁵ did so by explicitly making § 1111’s notice requirement a question of fact that is unable to be determined on summary judgment. Despite evidence that the senior user did not attach statutory notice of federal registration to their mark, the court allowed the jury to query further into whether the alleged infringer had prior knowledge of the mark, as “[w]hether they had actual notice prior to that time [when actual

¹⁰⁰ H.R. REP. NO. 75-9041, at 4 (1938) (outlining the proposed language for what would become 15 U.S.C. § 1111).

¹⁰¹ *Id.*

¹⁰² *Id.* at 64-65 (1938) (brief submitted by the U.S. Trademark Ass’n). The brief particularly notes the difficulty to apply the required notice to small articles, mirroring a concern in patent law that is now addressed through virtual marking. See *infra* Part IV.A.1.

¹⁰³ See 15 U.S.C. § 1111.

¹⁰⁴ *Hearings Before Subcomm. No. 3 of the Senate Comm. on the Judiciary*, 87th Cong., 35 (1961) (statement of Mr. Francois Palmatier, Chairman of Trademark Subcomm. of the Chi. Bar Ass’n).

¹⁰⁵ *Admiral Corp. v. Sewing Machine Sales Corp.*, 156 F. Supp. 796 (S.D.N.Y. 1957).

notice was served] is a question of fact which cannot be determined solely on the basis of defendants' affidavits denying prior knowledge."¹⁰⁶

Further developments in the case law specifically in the Second Circuit take a line of dicta from *Saratoga Vichy Spring Co. v. Lehman*¹⁰⁷ to create broad protection for trademark owners who do not provide actual or statutory notice of their marks, either through attaching the ® symbol to their mark or by sending alleged infringers notice of the mark's federal registration. *Saratoga Vichy* did not implicate § 1111 whatsoever but did advance the proposition that "it is normally not necessary for any trademark owner to put potential infringers on notice in order to protect its marks."¹⁰⁸ The court was not wrong, as § 1072 does provide for the constructive notice necessary to divorce this claim from the other types of notice needed to establish a claim for monetary damages.¹⁰⁹ The next lines of the opinion contrasts this status quo to note that in the case at hand, the trademark owner "should have taken some affirmative action to protect its rights against innocent parties who relied upon its prior acquiescence."¹¹⁰

Even though *Saratoga Vichy* did not implicate § 1111, courts in the Second Circuit misconstrued this rhetorical phrase and applied this analysis to the Lanham Act's notice requirements, declaring that contention to the contrary was "meritless."¹¹¹ Courts continued to note that actual notice remained a "triable issue of fact" necessitating a jury finding even when the senior user did not display statutory notice nor gave the alleged infringer notice of the registration.¹¹² This case line assumes that actual notice can be derived from actual knowledge and that only the jury may determine if this knowledge is present.

¹⁰⁶ *Id.* at 798. Recently, a court looked to Admiral Corp to make when statutory notice began to attach to a good a question for the jury, even though the trademark owner did not produce any evidence that such notice was attached to the good until the alleged infringer raised a § 1111 argument. See *Mophie, Inc. v. Shah*, No. SA CV 13-01321-DMG (JEMx), 2014 WL 10988347, at *22 (C.D. Cal. Nov. 12, 2014) (reserving the question of notice in this case for a factual finding after determining infringement had occurred).

¹⁰⁷ 625 F.2d 1037 (2d Cir. 1980).

¹⁰⁸ *Id.* at 1041.

¹⁰⁹ Compare 15 U.S.C. § 1072 (granting constructive notice of registration to public once a trademark is registered), with 15 U.S.C. § 1111 (imposing heightened notice requirements to pursue profits and damages).

¹¹⁰ 625 F.2d. at 1041.

¹¹¹ *LeSportssac v. K Mart Corp.*, 617 F. Supp. 316, 317-18 (E.D.N.Y. 1985).

¹¹² *Bambu Sales v. Sultana Crackers, Inc.*, 683 F. Supp. 899, 911 (E.D.N.Y. 1988).

C. *Modern Approaches to Trademark Notice Requirements*

Recent courts have allowed evidence of the alleged infringer's knowledge of the mark generally instead of insisting on knowledge of the mark's *federal registration* into consideration, which lets notice be deemed sufficient below explicit evidence of actual notice. For example, in *EST Inc. v. Royal-Grow Products*, a senior user told an alleged infringer about its intent to federally register its mark years prior to receiving registration yet did not communicate this registration once completed to the alleged infringer.¹¹³ The District of Kansas court found that the alleged infringer's receipt of notice was a factual question and that these conversations could count as the effective date for a damages window to begin despite the lack of registration. The logic of this decision makes it possible for the senior user to collect damages or profits for a time period predating the mark's federal registration for a § 1114 infringement action.

The Eleventh Circuit's decision in *Commodores Entertainment Corporation v. McClary*¹¹⁴ came out in a similar manner, with the court again determining that a jury verdict could not be overturned due to a lack of actual notice of a mark's federal registration. In that case, the mark at issue was the name of a popular music group in the mid-twentieth century with no goods containing statutory notice of the registered mark. When a former member of the group began using the band's name to help advertise his new musical engagements, the trademark owner of the original group's trademark sent the performer a cease-and-desist letter insisting that he stop infringing upon "[a]ll intellectual property rights" to the use of the band's name.¹¹⁵ The letter did not mention the federal trademark registration of the band's name. The court then reviewed the post-verdict evidence on the record in light of the alleged infringer's argument that the senior user did not provide actual notice of the mark's *federal registration*. Despite similar facts to *Stark Brothers*, the Eleventh Circuit held that a jury could reasonably determine that the letter implicated the senior user's *federal registration*.¹¹⁶

¹¹³ 526 F. Supp. 3d 943 (D. Kan. 2021).

¹¹⁴ 822 F. App'x 904 (11th Cir. 2020).

¹¹⁵ *Id.* at 910.

¹¹⁶ Compare *id.* at 910 (holding letter that did not specifically mention federal trademark registration satisfies actual notice requirement to pursue monetary damages), with *Stark Bros. Nurseries and Orchards Co. v. Curtis*, 255 U.S. 50, 52 (1921) (holding letter that did not specifically mention federal trademark registration did not "duly notify" alleged infringer of registration, barring monetary damages).

In *Blumenthal Distributing v. Herman Miller, Inc.*,¹¹⁷ the Ninth Circuit skirted around applying § 1111's requirements to a trade dress infringement action. An office chair manufacturer sued a competitor for trade dress infringement due to the competitor utilizing a design that incorporated an arm style similar to the manufacturer's design.¹¹⁸ The manufacturer did not register this trade dress and only registered the manufacturer's name itself as a trademark. There was no evidence on the record demonstrating that the competitor was sent a cease-and-desist letter prior to the manufacturer commencing suit. Still, the Ninth Circuit held that the competitor's § 1111 challenge could not stand. First, the court was skeptical that § 1111 could apply to the unregistered trade dress action, since it would be impossible to display statutory notice for an unregistered mark.¹¹⁹ Assuming that § 1111's requirements could apply, the court still found that a tag stating that "HermanMiller and Eames [the name of the chair] are among the registered trademarks of Herman Miller, Inc." along with emails showing the competitor was generally aware of the similarity between the chairs was enough to fulfill the notice requirement.¹²⁰

Conversely, at least three district courts have strictly applied § 1111's notice requirements. In *Coach, Inc. v. Asia Pacific Trading Corp.*,¹²¹ a fashion brand that made sunglasses that used the brand's federally registered trademark as a part of the design of the frame sued a competing distributor that utilized a similar design on their sunglasses for trademark infringement. The senior user pursued infringement claims for both an unregistered and registered trademark because the user did not specifically register this symbol for use on sunglasses. The junior user moved for summary judgment on the senior user's claims for monetary damages, arguing that the senior user did not provide statutory notice of the mark nor issue actual notice of the registration to the junior user prior to commencing suit.¹²² Since the junior user ceased selling the alleged infringing sunglasses at the outset of the lawsuit, the applicable window for damages would therefore total zero dollars. While the senior user argued that actual notice of a federal trademark registration is a

¹¹⁷ 811 F. App'x 421 (9th Cir. 2020).

¹¹⁸ See *Blumenthal Distrib. v. Herman Miller, Inc.*, 963 F.3d 859, 863 (9th Cir. 2020).

¹¹⁹ See *Blumenthal Distrib. v. Herman Miller, Inc.*, 811 F. App'x at 421 (9th Cir. 2020) (unpublished) (couching its response to the alleged infringer's § 1111 argument with the phrase "[e]ven assuming that the award was subject to [§ 1111's] requirement").

¹²⁰ *Id.* at 421.

¹²¹ 676 F. Supp. 2d 914 (C.D. Cal. 2009).

¹²² See *id.* at 921–22.

question of fact, the court looked solely to the evidence before the court to establish this notice, which could only be found on the senior user's filed complaint.¹²³ Concluding as well that such actual notice must also be issued if a user brings an unregistered mark claim in conjunction with a registered mark claim, the court dismissed all of the senior user's claims to profits and actual damages.¹²⁴

Similarly, in *OTR Wheel Engineering, Inc. v. West Worldwide Services, Inc.*,¹²⁵ an Eastern District of Washington court also found § 1111's actual notice requirement to be determinable as a matter of law at the summary judgment stage. The court removed any claims to pre-suit damages in this trade dress infringement matter because there was no evidence on the record that the alleged infringer had notice of the trade dress registration prior to the suit. In doing so, the court noted "willful blindness cannot substitute for actual notice."¹²⁶ Taking a step further, the court squarely defined actual notice as "not the mere filing of the Plaintiff's complaint . . . but the service of the same on the Defendants."¹²⁷

At least one court addressed the statute's notice requirements on a motion to dismiss. In *Kason Industries v. Allpoints Foodservice Parts and Supplies*,¹²⁸ a Northern District of Georgia court dismissed with leave to amend a trademark owner's claim for pre-suit damages as they arose from a claim for trade dress infringement under § 1125(a). Although the court allowed the senior user to proceed with its claim for damages under a counterfeiting theory and to amend its complaint to reflect any evidence of actual notice given to the alleged infringer, the court held that the "complaint [was] insufficient to demonstrate that Defendants had any actual notice of the registration of [the senior user's] trade dress."¹²⁹

On the whole, modern courts do not uniformly apply § 1111's actual notice requirement. Because few have contested the Lanham Act's notice

¹²³ See *id.* at 924.

¹²⁴ See *id.* at 925.

¹²⁵ CV-14-085-LRS, 2016 WL 236231 (E.D. Wash. Jan. 20, 2016).

¹²⁶ *Id.* at *3 (quotations omitted).

¹²⁷ *Id.*

¹²⁸ No. 3:17-CV-26-TCB, 2018 WL 1980370 (N.D. Ga. Mar. 6, 2018).

¹²⁹ *Id.* at *5. In an unpublished opinion, the Federal Circuit found that a similar listing of the ® symbol located on the tag of the product could not provide notice of the product's registered trade dress. See *Kransco Mfg., Inc. v. Hayes Specialties Corp.*, Nos. 95-1236, 95-1237, 1996 WL 30787, at *3 (Fed. Cir. 1996) (finding that the record was "devoid of evidence" that an alleged infringer had actual notice of registered trade dress for sinuous seam design when ® symbol was only displayed on product next to HACKY SACK mark).

requirements, however, there has been little rush to consolidate the underlying doctrine.

V. TRADEMARK LAW OBJECTIVES IN THE CURRENT TRADEMARK NOTICE SYSTEM

To complete an analysis of whether current trademark notice requirements serve the substantive purposes of trademark law, those objectives must be examined. Through this lens, it is clear that the current notice requirements are ineffective. Because the actual notice alternative embedded in 15 U.S.C. § 1111 allows trademark owners to fully recover without giving the public notice of their registered marks, the current approach fails to capture the consumer protection interests that lie at the heart of trademark law. The use of cease-and-desist letters to satisfy these notice requirements illustrates the failure. The practice provides avenues for gamesmanship and undesirable litigation tactics while keeping notice of the marks in question out of the public eye.

This Part explores the various objectives trademark law is intended to support, examines the current norm to send cease-and-desist letters to alleged infringers, and explains how prioritizing these letters over other forms of trademark notice fail to support the goals of trademark law.

A. *The Objectives of Trademark Law*

Protections for trademarks are inherently weaker than protections for copyrights and patents, as trademarks do not “depend upon novelty, invention, discovery, or any work of the brain.”¹³⁰ Congressional power to regulate patents and copyright stems from the Constitutional command to “promote the progress of science and the useful arts, by securing for limited times to *authors and inventors* the exclusive right to their respective *writings and discoveries*.”¹³¹ Because business owners and marketing directors cannot fit the plain text of this command, any powers to grant trademark protections stem from the commerce clause and therefore are aimed to “regulate commerce” rather than grant pure property rights.¹³²

Instead of a guarantee of an exclusive right to use a trademark, then, the central “purpose of trademark law is to prevent competitors from copying a source-identifying mark,” thus centering on harm to the consumer.¹³³

¹³⁰ *In re Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

¹³¹ U.S. CONST. art.1, § 8, cl. 8.

¹³² U.S. CONST. art.1, § 8, cl. 3.

¹³³ *Viacom Int'l v. IJR Capital Investments, LLC*, 891 F.3d 178 (5th Cir. 2018) (quoting *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34) (quotations omitted).

Traditionally, this entails promoting policies that minimize the risk of consumers mistakenly purchasing from one market participant because its mark is confusingly similar to a competitor's mark.¹³⁴ Take, for example, a shopper looking to purchase sugary breakfast cereal down the aisles of a grocery store. The shopper can easily identify their desired FROOT LOOPS cereal because of the FROOT LOOPS registered trademark—other brands do not mark their goods with FROOT LOOPS to avoid infringement actions and therefore use names that are sufficiently distinct from the FROOT LOOPS mark.¹³⁵ As such, the FROOT LOOPS mark helps shoppers identify real FROOT LOOPS products from off-brand versions and allows consumers to ensure they purchase cereal from their preferred brand. Thus, as Professor Mark Lemley has noted, “[w]e give protection to trademarks for one basic reason: to enable the public to identify easily a particular product from a particular source.”¹³⁶

Given the source-identifying function of trademark, it is therefore imperative that consumers have a reliable way of distinguishing authentic trademarks from knock-offs. The ® symbol does exactly that—only registered trademarks may display the ® symbol alongside the mark, and improper use of this symbol can constitute fraudulent deception that may bar registration of that mark in the future.¹³⁷ To allow consumers to continue to benefit from the search cost-saving function of trademark registration marking, then, businesses must be thoroughly incentivized to attach registration notice to their marks whenever they are publicly used—this objective becomes lost when express notice to an alleged infringer alone can unlock all major remedies for trademark infringement.¹³⁸ Registrations further fail to serve their purpose when a mark is registered for a particular type of good yet the trademark owner fails to use the mark in the field, such as if the FROOT LOOPS mark was registered for pastas.¹³⁹

¹³⁴ See Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 MICH. L. REV. 137, 142 (2010) (describing traditional purpose of trademark law to prevent mistaken purchases).

¹³⁵ Some competing cereals include Silly Circles, Fruit Rounds, and Far Out Fruitties. Shoppers can easily determine, then, which cereal contains “froot” instead of fruit.

¹³⁶ Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1695 (1999).

¹³⁷ See *Copelands’ Enterprises, Inc. v. CNV, Inc.*, 945 F.2d 1563, 1567 (Fed. Cir. 1991) (denying summary judgment to trademark owner in competitor’s action to challenge trademark registration when trademark owner previously used ® symbol with mark when it was unregistered to mislead the public).

¹³⁸ See Rebecca Tushnet, *Registering Disagreement: Registration in Modern American Trademark Law*, 130 HARV. L. REV. 867, 920 (2017) (“If registration is to be meaningful—whether as providing notice or providing substantive rights—it needs to be cleaned up.”)

¹³⁹ See *id.* at 920, 920 n.232 (describing USPTO study where nearly two-thirds of trademark registration renewals could not demonstrate that the mark in question was in use for some

While courts now often rely upon theories of infringement and harms that do not center consumers, these doctrines largely emerged after the Lanham Act's codification.¹⁴⁰ These doctrines, which include empowering a trademark owner to exert some control over the use of its mark in markets that they do not themselves compete in (like preventing a car business from taking the Apple mark), reflect "an increasing tendency to treat trademarks as assets with their own intrinsic value."¹⁴¹ Indeed, some courts have acknowledged this jurisprudential trend and attempt to keep "traditional trademark principles," which focus on consumer confusion and goodwill, underlying decisions instead of relying upon the idea that trademarks should be independently vested as property and hold exclusive rights for the trademark owners.¹⁴² Yet scholars such as Professor Robert C. Denicola continue to argue that aside from the public notice functions added in the Lanham Act's registration system, the Lanham Act merely codifies common law trademark principles instead of conferring new exclusive rights to trademark owners, thereby undermining these newer rationales that focus on granting exclusive trademark rights.¹⁴³

Further, by putting the public on constructive notice of all federally registered trademarks, the Lanham Act imposes a search obligation upon market entrants to ensure that their new mark is not too similar to a registered mark already used in their market, lest the new entrant wish to expose themselves to an infringement action.¹⁴⁴ But even with constructive notice, alleged infringers may be able to escape monetary damages if the trademark owner failed to attach notice of federal registration to their marks and the alleged infringer did not have knowledge of the trademark owner's

or all of the goods listed on that mark's registration and suggesting that the USPTO is looking for ways to streamline proof of use). Thankfully, the FROOT LOOPS mark is not registered for use on pasta boxes.

¹⁴⁰ See Lemley & McKenna, *supra* note 134, at 146 (describing development of market preemption and free-riding theories for trademark infringement harm).

¹⁴¹ Lemley, *supra* note 136, at 1693.

¹⁴² See, e.g., *Yellowbook, Inc. v. Brandeberry*, 708 F.3d 837, 844 (6th Cir. 2013) (citing Lemley, *supra* note 136, at 1688) (focusing trademark owner's rights on "the product goodwill [the mark] embod[ies]").

¹⁴³ Robert C. Denicola, *Some Thoughts on the Dynamics of Federal Trademark Legislation and the Trademark Dilution Act of 1995*, 59 L. & CONTEMP. PROBS., 75, 79–80 (1996) ("Putting aside statutory innovations directly linked to the public notice provided by the Act's registration system, the Lanham Act codifies basic common law principles governing both the subject matter and scope of protection.").

¹⁴⁴ See 15 U.S.C. § 1072 (conferring nationwide constructive notice upon all registered trademarks).

registration.¹⁴⁵ In instances where trademark owners fail to attach registration notices to their marks, then, new entrants are encouraged to keep mum on their knowledge of these marks to preserve a § 1111 challenge for monetary relief.

B. Cease-and-Desist Letters and the Failures of the Current Notice System

As the Lanham Act's formal requirements leave open the clear possibility to collect damages for infringement whenever express notice is given to an alleged infringer, cease-and-desist letters have emerged as an informal norm for trademark owners to give notice to those who infringe upon their marks.¹⁴⁶ This practice has only increased with trademark owners being able to find potential infringers with a quick Google search.¹⁴⁷ Professor William T. Gallagher found that instead of proceeding to a judicially-determined outcome, most trademark claims are settled in negotiations after a cease-and-desist letter is sent to an alleged infringer.¹⁴⁸ Further, Professor Leah Chan Grinvald found that "abusive" cease-and-desist letters are particularly common from large corporations that may engage in "trademark bullying" to deter competitors from using somewhat similar marks to a registered mark even if the ultimate infringement claim was weak.¹⁴⁹ In effect, this widespread practice has become an informal norm of giving notice to alleged infringers and inducing settlements, but this norm likely has no formal textual basis. Indeed, if "actual notice" is interpreted to mean actual knowledge of the registered trademark, then these cease-and-desist letters are merely superfluous to monetary relief when alleged infringers know of the mark in question, which presumably would be true any time a mark is adopted with the intent to capitalize off the registered mark's goodwill in the marketplace.¹⁵⁰

¹⁴⁵ See Welkowitz, *supra* note 31, at 530 (noting how while taking advantage of a registered mark requires active conduct, failing to investigate that a mark may not satisfy a showing of awareness that a mark was indeed registered, creating a "fuzzy" line).

¹⁴⁶ Leah Chan Grinvald, *Policing The Cease-And Desist Letter*, 49 U.S.F. L. REV. 409, 418–20 (2015) (outlining the cease-and-desist letter process).

¹⁴⁷ See *id.* at 416 ("Potential violations of one's rights are easily discoverable with specialized software or even by conducting a quick Google search.")

¹⁴⁸ See William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUT. & HIGH TECH. L.J. 453, 467 (2012) (describing how the bulk of IP practice consists of these negotiations).

¹⁴⁹ Grinvald, *supra* note 28, at 642–43.

¹⁵⁰ 15 U.S.C. § 1111.

Although these cease-and-desist letters give notice to alleged infringers, this informal norm does nothing to inform the consuming public of registered trademarks. While using cease-and-desist letters as an informal norm constitutes a sort of bright-line rule that easily demonstrate when an alleged infringer has notice of a federally registered mark, this private solution cuts out the public.¹⁵¹ As explained above, one of the goals of trademark law is to “communicate useful information to consumers, and thereby reduce consumer search costs.”¹⁵² But with little attention paid to the Lanham Act’s formal notice requirements to affix the ® symbol to registered trademarks, trademark owners are not incentivized to mark all of their products all the time, meaning the public receives less clarity about which marks in the marketplace are authentic. These concerns have only grown as copies of trademarks in online commerce are easy to produce at a low cost.¹⁵³ As such, consumers lack the ability to easily ensure that products online actually come from the authentic source that is associated with a registered trademark.

VI. NOTICING A NEW WAY FORWARD: VIRTUAL MARKING AS A SUBSTITUTE FOR ACTUAL NOTICE

Presently, injunctions remain the “preferred Lanham Act remedy,” and the most injured party (consumers) cannot bring suits.¹⁵⁴ After *Romag Fasteners*, however, trademark owners are free to pursue monetary relief regardless of an alleged infringer’s mental state. Returning to the recent META mark kerfuffle, neither MetaCompany nor META PCs gave statutory notice of their marks to the public at large before Facebook began to use its own META mark.¹⁵⁵ But in context where the Lanham Act’s notice requirements for monetary recovery are rarely applied and with no willfulness requirement for a disgorgement remedy in sight, both senior users attempted to use their mark as a bargaining

¹⁵¹ Cf. Robert C. Ellickson, *A Hypothesis of Wealth-Maximizing Norms: Evidence from the Whaling Industry*, 5 J. L. ECON. & ORG. 83, 95 (1989) (concluding that “members of a close-knit group define their low-level property rights so as to maximize their joint objective wealth”). Even if the use of cease-and-desist letters effectively transfers wealth between trademark users, this calculation necessarily leaves the consuming public out of the equation.

¹⁵² Lemley, *supra* note 136, at 1690.

¹⁵³ See Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031, 1053 (2005) (explaining that “the internet makes the distribution of additional copies of many types of information virtually costless”).

¹⁵⁴ *Safeway Transit LLC v. Discount Party Bus, Inc.*, 954 F.3d 1171, 1178 (8th Cir. 2020) (describing equitable foundations of trademark remedies and framing injunctions are the “preferred remedy”).

¹⁵⁵ See *supra* Introduction.

chip for a windfall that could only come because of the happy accident that one of the world's largest companies also found a word attractive.

The Lanham Act's notice requirements should be reconsidered as an appropriate vehicle to fill the doctrinal void left by *Romag Fasteners*. This Part outlines the case for a modernization of the Lanham Act's notice requirements. Specifically, it proposes adding the use of virtual marking to satisfy § 1111's statutory notice requirement and removing the ability for a trademark owner to prove actual notice in the alternative. "Virtual marking" is borrowed from the America Invents Act's notice requirements, which allow a patent holder to give notice of their patent by linking the webpage for their published patent to a website that displays a product commercializing the patent.¹⁵⁶ For trademarks, virtual marking would require linking the USPTO-issued certificate of registration (already available online on TESS) on webpages that vend products with the registered trademark. Additionally, courts may consider if each party took reasonably prudent steps in using and protecting their marks to adjust monetary damages after infringement is found.

This solution still leaves all alleged infringers open to actual damages or a disgorgement award so long as trademark owners mark their products or provide virtual marking. But there are numerous advantages to this approach that can lead to new ways to assess trademark damages. Namely, virtual marking provides an easy reference point for courts and junior users to consider what market overlap exists between the two marks in question, and the reasonableness of an infringer's belief that their use was non-infringing. Junior users may use these reference points to determine whether to adopt their desired mark in the first place. Using this data, courts can be in a better position to assess whether the trademark owner and alleged infringer took "reasonably prudent steps"—such as the trademark owner marking their physical products or the alleged infringer reviewing TESS—and may use such considerations in a comparative prudence approach to impose limits on the extent of monetary recovery.¹⁵⁷

This Part begins with an examination of the America Invents Act's virtual marking provision and similar debates in the patent law context. It proceeds to outline how using virtual marking to satisfy statutory notice—and eliminating the actual notice alternative entirely—produces more attractive outcomes than

¹⁵⁶ See 35 U.S.C. § 287(a).

¹⁵⁷ While comparative negligence has yet to be assessed in damages calculations for trademark suits, such analysis routinely occurs in trademark contributory liability actions. See generally *Tiffany Inc. v. eBay Inc.*, 600 F.3d 93 (2d Cir. 2010); *Inwood Lab'ys. v. Ives Lab'ys.*, 456 U.S. 844 (1982).

the current notice scheme. A brief return to the cupcake shop competitors from Part II serves to illustrate the point. Finally, this Part examines how “reasonably prudent steps” in the notice process may be assessed in a final damages award.

A. *A Page from Patent Law: the America Invents Act and Virtual Marking*

Despite changes in notice requirements for copyright and patent suits over the years, the Lanham Act’s notice requirements have not changed much at all since 1905.¹⁵⁸ As discussed earlier in this Note, section 28 of the 1905 Act is remarkably similar to the current provision in 15 U.S.C. § 1111, and the basic notice structure has not been updated since 1946.¹⁵⁹ In contrast, notice requirements for both copyright and patent law have changed considerably in the past few decades. Indeed, amendments to the Copyright Act began to allow any copyright owner to recover damages automatically, regardless of whether their work contained a copyright notice.¹⁶⁰

Recent changes in patent notice requirements that allow for “virtual marking” deserve particular consideration as a potential way to modernize trademark notice requirements. Additionally, patent law’s actual notice requirements have now received significant attention in the Federal Circuit, hinting at what may soon occur if more parties raise arguments based on the Lanham Act’s actual notice requirement in attempts to bar monetary damages before a trademark trial. This section illustrates the America Invents Act’s virtual marking provision, outlines how patent courts have addressed actual notice, and makes an initial assessment of why virtual marking may be useful in the trademark context.

1. *Virtual Marking as Constructive Notice.*

As Dane D. Sowers noted, “[t]he trademark notice requirement is very similar to the patent marking requirement.”¹⁶¹ Although the two requirements historically share much in common, the patent marking requirement received a twenty-first-century refresh with the addition of a “virtual marking” option in

¹⁵⁸ See *supra* Part III.A.

¹⁵⁹ See *supra* note 22 and accompanying text.

¹⁶⁰ See 17 U.S.C. § 401(a) (permitting—but not requiring—copyright owners to give notice of their rights after 1988 amendments).

¹⁶¹ Dane D. Sowers, *Ensuring Proper Notice: Clearing the Fog Surrounding Virtual Patent Marking*, 54 CREIGHTON L. REV. 107, 124 (2020) (citing *Nat’l Prods., Inc. v. Arkon Res., Inc.*, No. C15-1553RSL, 2017 WL 497678, at *1 (W.D. Wash. Feb. 7, 2017)).

the America Invents Act.¹⁶² Enacted in 2011, this statute amended the patent marking requirement to allow for patent holders to give notice of their patents “by fixing thereon the word ‘patent’ or the abbreviation ‘pat.’ together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent” to recover monetary damages.¹⁶³ Patent holders may also mark this notice on the actual products that practice the patented invention or, in the alternative, give infringers notice that they believe their patent is being infringed.¹⁶⁴ Functionally, these back-up requirements to “virtual marking” almost exactly mirror the Lanham Act.¹⁶⁵ Much like in trademark law, this provision allows the patent holders to recover monetary damages only when notice of the registered patent is attached in some fashion to a product that practices the patent.¹⁶⁶ Primarily, this change was enacted to “save costs for producers of products that include technology on which a patent issues after the product is on the market, and will facilitate effective marking on smaller products.”¹⁶⁷

Since this change, most courts have been able to address whether a particular product’s virtual patent marking meets this requirement without sending the issue to the jury. This stems from the fact that “the burden will remain on the patent holder to demonstrate that the marking was effective,” meaning the patent owner alone must demonstrate that they gave the public at large or the infringer specifically notice of their patent.¹⁶⁸ Additionally, in instances where courts could not as a matter of law determine if a virtual marking was deficient, this typically arose out of confusion in the difference between a commercial product and the written patent that the product embodied.¹⁶⁹

Overall, the virtual marking provision “has likely met its intended objectives of reducing manufacturing costs and facilitating public notice in certain

¹⁶² Pub. L. No. 112–29, 125 Stat. 284 (2011) (codified at 35 U.S.C. § 1).

¹⁶³ 35 U.S.C. § 287(a).

¹⁶⁴ *Id.*

¹⁶⁵ Compare 35 U.S.C. §287(a), with 15 U.S.C. § 1111.

¹⁶⁶ 35 U.S.C. § 287(a).

¹⁶⁷ H.R. REP. No. 112-98, at 52-53 (2011).

¹⁶⁸ *Id.* at 52.

¹⁶⁹ See, e.g., VLSI Tech. LLC v. Intel Corp., No. 6:21-CV-00299-ADA, 2021 WL 2773013 (W.D. Tex. Apr. 12, 2021) (granting summary judgment precluding pre-suit damages when patent holder failed to list products that practiced patents with the patents’ internet listings). Practicing a patent means using the claims listed in a patent in a commercialized product.

situations.”¹⁷⁰ Professor Gaétan de Rassenfosse estimated that a little more than five years after the America Invents Act’s enactment, twenty-five percent of commercially active patents utilized virtual marking.¹⁷¹ With increased adoption of virtual marking, there is hope that the public will obtain increased notice of patent rights and, therefore, that fewer acts of innocent infringement will occur.¹⁷²

2. *Mirrored Confusion over Actual Notice.*

Though the trademark notice and patent notice provisions are strikingly similar, the two diverge in the wording of their “actual notice alternatives” to statutory notice. While 15 U.S.C. § 1111 allows trademark owners to recover damages upon the alleged infringer’s “actual notice of federal registration,” the patent statute’s marking provision requires “proof that the infringer was notified of the infringement and continued to infringe thereafter” to recover damages absent statutory notice.¹⁷³ This language differs still from the requirements to receive damages before a patent publishes, which are currently interpreted to require actual knowledge of the pending patent rather than an affirmative act.¹⁷⁴ These problems highlight the textual differences between the pre-issuance and post-issuance requirements, the impractical consequences that follow, and the undesirability of actual knowledge on its own as the basis for notice of intellectual property rights.

To begin, 35 U.S.C. § 287(a), a part of the patent law statutory framework, mirrors 15 U.S.C. § 1111 in that it provides an “actual notice” limit to monetary relief when patent owners do not mark their patented inventions.¹⁷⁵ Notably, the provision uses the term “notified” instead of “actual notice,” making the provision align more closely with the original 1905 Trade-Mark Act provision

¹⁷⁰ U.S. PAT. & TRADEMARK OFF., REPORT ON VIRTUAL MARKING 26 (2014), <https://perma.cc/GDT9-URKT>.

¹⁷¹ Gaétan de Rassenfosse, *Notice Failure Revisited: Evidence of the Use of Virtual Patent Marking* 17 (Nat’l Bureau of Econ. Rsch., Working Paper No. 24288, 2018).

¹⁷² See Michael Meurer & Peter Menell, *Notice Failure and Notice Externalities*, 5 J. LEGAL ANALYSIS 1, 37 (2013) (discussing benefits of public notice through virtual marking).

¹⁷³ 15 U.S.C. § 1111; 35 U.S.C. § 287(a). Cf. Pub. L. No. 98–620 § 28, 34 Stat. 3358 (1905) (repealed 1946) (using similar “notified of the infringement” language in pre-Lanham Act trademark law).

¹⁷⁴ There is usually some time between when the USPTO notifies a patent holder that their patent will be registered and when that patent is formally registered. Preissuance damages, then, accrue during this interim period, while postissuance damages accumulate once the patent is fully registered.

¹⁷⁵ Compare 35 U.S.C. § 287(a) (imposing bar to patent damages awards), with 15 U.S.C. § 1111 (imposing bar to trademark damages awards).

analyzed in *Stark Brothers*.¹⁷⁶ As such, courts interpret this provision to require an affirmative act from the patent holder, such as sending a cease-and-desist letter, to recover monetary damages if their commercial products are unmarked.¹⁷⁷ This alternative to patent marking has attracted attention in recent Federal Circuit cases, with the Federal Circuit ultimately concluding that “[a]ctual notice under § 287 requires performance by the patent holders.”¹⁷⁸ While some have questioned the desirability of such a rigid requirement,¹⁷⁹ such arguments have not received much attention. Additionally, the “performance” requirement aligns with how Representative Lamar Smith and the House Judiciary Committee interpreted this requirement during the formulation of the America Invents Act.¹⁸⁰

Oddly, due to differing statutory language, a patent holder’s affirmative act is not required for an infringer to have notice, and therefore to accrue damages, on a soon-to-be enforced patent. The relevant statutory provision for these pre-issuance damages, 35 U.S.C. § 154(d), only requires an infringer to have “actual notice of the published patent application” to be eligible for monetary relief.¹⁸¹ In *Rosebud LMS, Inc. v. Adobe Systems, Inc.*,¹⁸² the Federal Circuit considered whether a patent holder must act affirmatively to give this “actual notice.” Although the court ultimately held that the alleged infringer did not have actual knowledge of the patent application, the Federal Circuit adopted an “actual knowledge” definition for this form of “actual notice” that did not require performance from the patent holder.¹⁸³

Patent notice requirements for both pre-issuance and post-issuance damages form an important bar to monetary relief. Unlike trademark’s discretionary requirements that require judges to weigh “principles of equity” before awarding monetary damages,¹⁸⁴ patent holders automatically receive “[no] less than a reasonable royalty for the use made of the invention by the

¹⁷⁶ See *Stark Bros. Nurseries & Orchards Co. v. Curtis*, 255 U.S. 50, 52 (1921).

¹⁷⁷ For extensive discussion of what kinds of letters qualify, see *Amsted Indus. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 185–88 (Fed. Cir. 1994) (citing *Dunlap v. Schofield*, 152 U.S. 244, 247–48 (1894)).

¹⁷⁸ *Arctic Cat, Inc. v. Bombadier Recreational Prods.*, 950 F.3d 860, 866–67 (Fed. Cir. 2020).

¹⁷⁹ See Mark Supko & Siri Rao, *Should the Federal Circuit’s “Actual Notice” Test for Presuit Patent Damages Be on the Supreme Court’s Chopping Block?*, 13 *LANDSLIDE* 46 (2020) (suggesting a totality of the circumstances test to establish actual notice in patent suits).

¹⁸⁰ See H.R. REP. NO. 112-98, at 83 (2011) (“Actual notice requires the affirmative communication of infringement to the defendant, which may include the filing of a lawsuit.”).

¹⁸¹ 35 U.S.C. § 154(d). The USPTO must decide whether a patent application constitutes a novel, useful, and nonobvious invention before registering the patent. 35 U.S.C. §§ 101–103.

¹⁸² 812 F.3d 1070 (Fed. Cir. 2016).

¹⁸³ *Id.* at 1076.

¹⁸⁴ 15 U.S.C. § 1117(a).

infringer” upon an infringement finding.¹⁸⁵ This gives judges and juries discretion to determine what amount constitutes a “reasonable royalty,” in contrast to the complete relief of an actual damages or disgorgement award given to a trademark owner that cannot be adjusted downward.¹⁸⁶

3. *Assessing Policy Implications of Virtual Marking for Trademark Notice.*

Although virtual marking has not yet been considered in the trademark law, the increased importance of § 1111’s requirements after *Romag Fasteners* provides an appropriate opportunity to examine the contours of such a proposition in context. Trademark law is a uniquely appropriate area to apply this modern alternative. To “virtually mark” a trademark, on my conception, a company must link to a mark’s certificate of registration on webpages that use or vend products under that mark. For example, Cuppy’s Cakes could embed a link in an image displaying the CUPPY’S CAKES mark on their website that leads to the mark’s certificate of federal registration. As such, it is plausible to envision virtual marking as a sufficient replacement for the actual notice alternative—as the initial Lanham Act language attempted to do—now that the internet provides a feasible alternative to marking small and other aesthetically displeasing articles.¹⁸⁷

Perhaps the greatest advantage of using virtual marking in trademark law is that an infringement claim can often be assessed on the verbal and visual similarity of the marks alone. Courts apply multi-factor tests to determine if there is a “likelihood of confusion” between two marks, with each test considering “the similarity of the marks, the proximity of the goods, evidence of actual confusion, and the strength of the plaintiff’s mark.”¹⁸⁸ If a “likelihood of confusion” exists, then the junior user’s mark infringes upon the senior user’s mark. In an empirical study, Professor Barton Beebe found that the similarity of the marks factor is a “threshold inquiry” that usually “the plaintiff must win . . .

¹⁸⁵ 35 U.S.C. § 284.

¹⁸⁶ Both courts and scholars have advanced this approach. See Lauren Straight, Note, *A Case for Compulsory Licensing in Instances of Reverse Trademark Confusion*, 53 CONN. L. REV. 209, 218, 224 (citing *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947 (7th Cir. 1992)).

¹⁸⁷ See *supra* Part III.A. It is feasible that virtual marking accomplishes similar goals in the patent context and could eliminate the need for an actual notice alternative in the patent statute. While this topic is worthy of discussion on the merits, it exceeds the scope of this Note.

¹⁸⁸ Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. REV. 1581, 1589 (2006). For a thorough description of the subtle distinctions between the various tests, see *id.* at 1582–84.

to have any chance of winning the [likelihood of confusion] test.”¹⁸⁹ This inquiry is best summarized in a familiar quote: “I know it when I see it.”¹⁹⁰ As such, new mark adopters reviewing currently used marks online can immediately make a personal assessment of this threshold infringement inquiry without much work.

Prudent junior users may conduct this Google search in conjunction with a search of TESS to ensure their adopted mark is non-infringing.¹⁹¹ Professor Lisa Larrimore Ouellette has advocated for the use of a Google search as a meaningful proxy to determine if infringement occurs once the issue reaches the courts, particularly as searches reflect the strength of the mark in commerce and can be adjusted based on the product’s home market.¹⁹² These adjustments reflect many of the factors embedded into the currently-administered “likelihood of confusion” tests. Virtual marking would serve as a quick-to-search and effective form of trademark notice. Additionally, virtual marking would bolster the reliability of Google searches as meaningful tools to detect trademark infringement because trademark owners would be incentivized to display records of the relevant federal registration along with their online marks, improving search result accuracy.

Switching to this system also allows judges to determine if the notice requirement has been met at the pleadings stage. This borrows from the Federal Circuit’s holding that the patent holder bears “the burden of pleading and proving at trial that she complied with the statutory requirements.”¹⁹³ With the actual notice alternative replaced with a virtual marking option, juries will not be asked to ascertain the often thorny factual question of when an alleged infringer had actual notice of a mark’s federal registration. As such, trademark owners and infringers alike would know what monetary damages may be on the line before trial begins.

B. A Modern Form of Trademark Notice

It is time for trademark law to catch up with patent law and for the Lanham Act to include a virtual marking provision of its own. Under my proposal, § 1111

¹⁸⁹ *Id.* at 1623.

¹⁹⁰ *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (Stewart, J., concurring); *cf. Rexel, Inc. v. Rexel Int’l Trading Corp.*, 540 F. Supp. 2d 1154, 1166 (C.D. Cal. 2008) (“A determination that two marks are similar in appearance essentially amounts to a proverbial ‘I know it when I see it’ revelation.” (citations omitted)).

¹⁹¹ *See Ouellette, supra* note 26, at 400. Facebook’s search and negotiations with the META mark owners is just one practical illustration.

¹⁹² *See id.* at 395–99 (outlining how Google searches may be valuable probative evidence in infringement suits).

¹⁹³ *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111 (Fed. Cir. 1996).

should be amended to allow trademark owners to recover actual damages or a disgorgement award only if the owner provides either virtual marking akin to that found in the America Invents Act or attached notice of registration onto their products. This proposal removes the “actual notice alternative,” effectively ending uneven applications of this provision. Additionally, this proposal considers the effect that virtual markings may have on the ability of courts to assess if each party to litigation took “reasonably prudent steps” in protecting, adopting, and using their marks. From there, courts may use prudence to determine how to fashion a damages award, which moves away from trademark law’s current winner-takes-all damages scheme. With these amendments in place, courts in most cases can determine if a trademark owner is entitled to pursue monetary damages on the pleadings alone. This approach minimizes factual questions that prolong litigation, disincentivizes willful blindness, and creates an avenue for judges and juries to fashion palatable damages awards in trademark infringement claims.

An ideal requirement would allow for two forms of statutory notice. First, much like the virtual marking provision in the America Invents Act, most trademark owners can satisfy a new virtual marking requirement by linking their trademark registration to the webpage of the protected good or service.¹⁹⁴ More traditionally, the second form would allow senior users to attach notice of federal registration of the allegedly infringed mark to the brand’s good or service, like putting the ® next to a coffee shop’s name on their coffee cups. A trademark owner who elects to provide notice either virtually or physically on their good or service would satisfy this proposed statutory notice requirement. Importantly, cease-and-desist letters will not satisfy this amended notice requirement, so a trademark owner must give some notice of their registered mark to the consuming public, either virtually or on physical products, to be eligible for monetary relief.

Under either approach, a trademark owner’s registration of their mark should be evident from a simple internet search.¹⁹⁵ Using virtual marking provides an effective avenue to compare what goods and services a company vends using their registered trademark with the goods or services listed on the

¹⁹⁴ Cf. 35 U.S.C. § 287(a) (allowing patent holders to give constructive notice that a patented article is patented through “an address of a posting on the internet”).

¹⁹⁵ For physical goods, notice of registration would likely appear in image searches, product reviews, and other sources that display goods and services. Cf. Ouellette, *supra* note 26, at 403 n.277 (“I tried and failed to think of a mark that is used in commerce but that I could not find on Google.”).

trademark's registration certificate.¹⁹⁶ Further, this proposed amendment removes the alternative of actual notice entirely, eliminating this fact-sensitive and late-arising question from consideration. Removing actual notice cures the statute's current willful blindness problem and incentivizes new mark users to conduct a simple web search before using a new mark.¹⁹⁷ MetaCompany, then, would not be able to pursue monetary relief, as they have yet to use their mark on products in commerce and therefore cannot link their certificate of registration to a webpage that vends their products.

Because unregistered marks necessarily cannot conform to either form of notice, infringement claims based on unregistered marks are barred from receiving actual damages or profits remedies. The current text of the Lanham Act does not warrant a different result. Although § 1125(a), the basis for unregistered mark infringement claims, is explicitly referenced in the Lanham Act's remedial provision, there are other types of claims that may be sustained under this section.¹⁹⁸ Namely, false advertising claims are brought under § 1125(a) and receive the same remedies as normal trademark infringement.¹⁹⁹ By simply making it explicit that these amended notice requirements apply to all trademark infringement actions, it will be clear that trademark owners who do not register their marks cannot receive monetary relief under the Lanham Act. As such, companies like META PCs that do not have fully registered marks may not collect damages for actions preceding the federal registration of their mark.

1. *A Practical Illustration.*

To elicit effective virtual marking in the trademark context, the mark must associate itself with a particular good or service following the USPTO's current best practices.²⁰⁰ This ensures consumers associate the mark with the authentic producer, as well as distinguish what markets the trademark owner uses the mark in.

¹⁹⁶ Virtual marking could therefore serve as an ideal tool for the USPTO to police use in commerce for trademark registration renewal. See Tushnet, *supra* note 138, at 920 n.232 (discussing calls for reform from USPTO on tools to police use and nonuse of trademarks in commerce).

¹⁹⁷ See *supra* Part II.D.

¹⁹⁸ See 15 U.S.C. § 1117(a).

¹⁹⁹ See Burns, *supra* note 87, at 819–22.

²⁰⁰ See U.S. PAT. & TRADEMARK OFF., TRADEMARK MANUAL OF EXAMINING PROCEDURES § 904.03(i)(B)(2) (2021), <https://perma.cc/9SMR-WKXC>.

Let's now return to the cupcake competitors, this time applying the proposed virtual marking option. In this illustration, the Californian Cuppy's Cakes has a federally registered trademark for its CUPPY'S CAKES cupcakes. On the CUPPY'S CAKES website, the CUPPY'S CAKES mark explicitly hyperlinks to the TESS page displaying CUPPY'S CAKES mark's federal registration. This website can be found even when searching "CuppyCake" on the web. CuppyCake, the Chicago shop, begins to sell its CUPPYCAKE cupcakes out of their storefront and launches a web store as well. In this instance, virtual marking of the CUPPY'S CAKES mark has established statutory notice, so Cuppy's Cakes may pursue monetary relief for any actual damages or CuppyCake profits.

If Cuppy's Cakes did not register its CUPPY'S CAKES mark, however, but notices other vendors begin to sell cupcakes under a similar mark, it still may pursue an infringement action under § 1125(a). But since there is no way for the store to provide virtual or physical marking for an unregistered mark, Cuppy's Cakes is automatically precluded from pursuing monetary damages. A judge can make this determination on the pleadings before discovery commences, allowing both parties to assess the feasibility of litigating the suit to completion.

Through this exercise, it is clear that the Chicago cupcake baker should conduct a careful Google search and a basic comb through TESS before adopting their mark to avoid monetary liability. Yet it is still possible that a new mark adopter may miss marks in these searches that a court would determine to be substantially similar to their adopted mark. Further, because virtual marking is a low-cost tool that unlocks the extraordinary disgorgement remedy, there is an increased risk that more weak infringement claims will settle before trial due to the risk of exorbitant costs for alleged infringers.²⁰¹ As such, an amendment to the Lanham Act's notice requirements must be coupled with a clear, flexible approach to determine damages once infringement is found that takes these considerations into account.

2. *Using comparative prudence to guide damages.*

Currently, the "likelihood of confusion" test creates a strict liability rule of trademark infringement; if a likelihood of confusion between two marks exists,

²⁰¹ See Welkowitz, *supra* note 31, at 564 ("But allowing an allegation of willfulness to survive a motion to dismiss may significantly increase the settlement value, as well as the discovery cost, of the lawsuit.").

then infringement is found and the junior user is liable for damages.²⁰² Now, with the willfulness requirement to receive monetary relief gone, any infringer—even those who in good faith believed their mark was non-infringing—are at risk of having all their profits disgorged. The problem with this scheme is that alleged infringers do not know if the “principles of equity” will save them from monetary liability until after trial, since many times the likelihood of confusion test is sent to a jury because “[t]he ultimate question of likelihood of confusion is predominantly factual in nature.”²⁰³ Thus, the loaded threat of a disgorgement award looms large in settlement negotiations and may incentivize alleged infringers to settle before such windfalls can be awarded even for weak claims.²⁰⁴

Further, the text of the Lanham Act already allows judicial discretion to determine an appropriate disgorgement award yet provides few factors to consider beyond “the circumstances of the case.”²⁰⁵ Actual damages are difficult to prove in infringement claims, leaving disgorgement as the only viable monetary award in most cases.²⁰⁶ Yet the disgorgement remedy, without any meaningful factors to consider how to approximate its relationship to unproven actual damages, still proves troublesome once infringement is found.²⁰⁷ And the large award that stems from the disgorgement remedy often requires rough estimations to create the final award.²⁰⁸ Under a virtual marking scheme, however, courts and parties may use the new notice system to assess how to calculate the role of willfulness in damages awards (a question *Romag Fasteners* explicitly kept open)²⁰⁹ and adjust damages accordingly.

By borrowing from Professor Ouellette’s careful consideration of how Google searches can provide good probative evidence in trademark suits,

²⁰² See Alfred C. Yen, *Intent and Trademark Infringement*, 57 ARIZ. L. REV. 713, 725 (2015) (noting that “modern law clearly makes trademark infringement a strict liability offense”).

²⁰³ *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140 (9th Cir. 2002).

²⁰⁴ See J.J. Prescott & Kathryn E. Spier, *A Comprehensive Theory of Civil Settlement*, 91 N.Y.U. L. REV. 59, 74 (2016) (positing that as risk aversion rises with the amount of damages at stake, the more likely that rational parties will settle).

²⁰⁵ See 15 U.S.C. § 1117(a) (“If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case.”).

²⁰⁶ See *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1407 (9th Cir. 1993) (“Because proof of actual damage is often difficult, a court may award damages based on defendant’s profits on a theory of unjust enrichment.”).

²⁰⁷ See *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 207 (1942) (“There may well be a windfall to the trade-mark owner . . . But to hold otherwise would give the windfall to the wrongdoer.”).

²⁰⁸ See, e.g., *Banjo Buddies, Inc. v. Renosky*, 399 F.3d 168, 176–78 (3d Cir. 2005) (describing process of estimating profits and damages after infringement is found).

²⁰⁹ See *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1497 (2020).

judges may take into consideration how the original mark appears in the search to determine if it was reasonable for the alleged infringer to adopt their mark.²¹⁰ For example, if the Google search for the original mark reveals only websites that have not been updated in ten years, it may be reasonable for a junior user to conclude that the mark has been abandoned.²¹¹ Further, Google's location-based functions may show a mark's strength in one region and weakness in another, allowing courts to take this into account when infringement actions relate to marks based in different parts of the nation.²¹² On the other hand, marks that populate the top of a Google search for the product made by the alleged infringer would signal the appropriateness of a disgorgement award.²¹³ These considerations reflect the "reasonably prudent steps" that the senior user took to use and protect their mark and the junior user took to ensure their mark did not already exist in a similar marketplace.

Applying these considerations once an infringement finding is made helps rectify unjust awards when neither the trademark owner nor the infringing party were perfectly prudent and better approximates the damages at stake throughout proceedings.²¹⁴ As such, parties are incentivized to share what prudent steps were taken in adopting or protecting the mark, rather than burying their heads in the sand.²¹⁵ For example, alleged infringers will be incentivized to share what searches they conducted through Google and TESS to demonstrate that they reasonably believed their use was non-infringing,

²¹⁰ See Ouellette, *supra* note 26, at 395–99.

²¹¹ See 15 U.S.C. § 1127 (stating nonuse of a mark in commerce for three years is prima facie evidence of abandonment of the mark). *But cf.* Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 956 (7th Cir. 1992) (finding that nonuse of a mark for over 30 years did not constitute abandonment).

²¹² Concerns over regional mark power with nationwide protection have long riddled trademark law. *See, e.g.*, Dawn Donut Co. v. Hart Food Stores, 267 F.2d 358, 365 (2d Cir. 1959) (determining that when companies traded in different areas—and therefore consumers likely were not confused by marks—no profits or damages award was warranted).

²¹³ For example, maintaining a submarine sandwich shop with the name "Subway" certainly falls into this category. *See, e.g.*, Doctor's Assoc., Inc. v. Patel, No. 18-CV-2386 (GBD) (KHP), 2018 WL 8983207 (S.D.N.Y. Sept. 26, 2018).

²¹⁴ See Tony Bortolin, *Awarding Some Profits Against Unintentional Infringers*, 110 TRADEMARK REP. 930, 961–67 (2020) (advocating for use of intent to determine the proportion of profits awarded). *See also* Roger D. Blair & Thomas F. Cotter, *An Economic Analysis of Damages Rules in Intellectual Property*, 39 WM. & MARY L. REV. 1585, 1680–81 (1998) (determining limits on restitution-based trademark awards may be necessary to justify imposing search expectations on new mark adoptees).

²¹⁵ *Cf.* Oren Bar-Gill & Omri Ben-Shahar, *The Uneasy Case for Comparative Negligence*, 5 AM. L. & ECON. REV. 433, 461 (2003) (arguing that comparative negligence rules, like the prudence comparison here, set an "average standard of care for potential injurers" and disincentivizes victims from doing nothing (quotations omitted)).

which departs from the current system where such evidence has been used to justify disgorgement awards.²¹⁶

Courts and parties, therefore, may use comparative prudence in their adoption and protection of marks to inform damages awards, particularly if the monetary remedies outlined in the Lanham Act are amended to reflect common practice. Rather than a tight formula, this comparative prudence analysis instead serves as a guidepost when § 1117's "principles of equity" in fashioning trademark damages awards remain unclear.²¹⁷ This discretionary approach follows from the Supreme Court's decision in *Halo Electronics v. Pulse Electronics*,²¹⁸ a patent case where the Court "eschew[ed] any rigid formula" for enhanced damages due to willful infringement.²¹⁹ It is therefore wise to let courts determine how particular prudent or imprudent steps should impact damages awards.

VII. CONCLUSION

With a renewed emphasis on the text of the Lanham Act solely guiding the remedies available to trademark owners, there must also be renewed scrutiny of the antiquated nature of the Lanham Act's notice requirements. While mismatched court doctrines have long been able to stay unnoticed, these discrepancies can no longer be left unresolved after *Romag Fasteners* removed the willfulness requirement for the disgorgement remedy. Incorporating virtual marking as a form of statutory notice, eliminating the actual notice alternative, and using virtual markings to assess comparative prudence and fashion damages awards provide a fruitful way forward to modernize the system.

As one representative of the U.S. Trademark Association noted during the 1961 Lanham Act amendment hearings, changes to § 1111's notice requirements were "a tempest in a teapot," as her review of the case law revealed no cases where actual notice was not given.²²⁰ It is understandable that this characterization has continued to the present day, as few cases have

²¹⁶ See, e.g., *Sands, Taylor & Wood*, 978 F.2d at 962–63 (using trademark search and evidence of junior user's contact with senior user as proof of willful infringement was not clearly erroneous, though ultimately vacating damages award on equitable grounds).

²¹⁷ 15 U.S.C. § 1117(a). See also *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, 579 U.S. 93, 103 (2016) ("[I]n a system of laws discretion is rarely without limits,' even when the statute 'does not specify any limits upon the district courts' discretion.'" (alteration in original) (citation omitted)).

²¹⁸ 579 U.S. 93 (2016).

²¹⁹ *Id.* at 107.

²²⁰ *Hearings Before Subcomm. No. 3 of the Comm. on the Judiciary*, 87th Cong. 42 (1961) (Remarks of Daphne Leeds, U.S. Trademark Ass'n).

mentioned trademark notice requirements. Yet *Admiral Corp.*, a case explicitly wrestling with these requirements, was decided before this representative's remarks.²²¹ *Romag Fasteners* seems to have only made these challenges more distinct, with at least three cases considering the requirement since the Supreme Court's decision.²²² Further, as model jury instructions for questions of trademark notice start to arise for the first time, there is reason to believe that the Lanham Act's notice requirements will start to reach juries at higher rates without the willfulness requirement in place.²²³

Achieving legislative reform may not be an easy task. But incremental steps to tighten notice requirements in the meantime can be made overnight to set this revised framework in motion. Lower courts may begin by assessing claims for profits and damages awards at the pleadings stage, striking any prayers for these forms of relief if trademark owners cannot plausibly allege that they either attached statutory notice to their mark or that the alleged infringer had actual notice of the mark's federal registration.²²⁴ This simple change will incentivize trademark owners to pay careful attention to how they utilize their marks and decrease monetary awards for those who fail to protect them.

Loosely construing the Lanham Act's notice requirements with virtually no limits on pursuing a disgorgement remedy is untenable. Now that the trademark world must notice what lies beyond willfulness, notice requirements that properly reflect what consumers see in the modern marketplace provide an ideal solution that maximizes the practical utility of the trademark system. These revisions will help untangle the relationship between infringement suits, the public's knowledge of a registered trademark, and the threat of large monetary awards for speculative injuries.

²²¹ See *Admiral Corp. v. Sewing Mach. Sales Corp.*, 156 F. Supp. 796, 798 (S.D.N.Y. 1957) (concluding that alleged infringer's notice of a federally registered trademark prior to notice given in a cease-and-desist letter was a factual question, thereby opening up an accounting to a time period before the trademark owner provided express actual notice).

²²² See *EST Inc. v. Royal-Grow Prods.*, 526 F. Supp. 3d 943 (D. Kan. 2021); *Commodores Ent. Corp. v. McClary*, 822 F. App'x 904 (11th Cir. 2020); *Blumenthal Dist., Inc. v. Herman Miller, Inc.*, 811 F. App'x 421 (9th Cir. 2020).

²²³ See NINTH CIR. JURY INSTRUCTIONS COMM., *MANUAL OF MODEL CIVIL JURY INSTRUCTIONS* 15.26 (2021).

²²⁴ See, e.g., *Kason Indus., Inc. v. Allpoints Foodservice Parts & Supplies, LLC*, No. 3:17-cv-26-TCB, 2018 WL 1980370, at *4–5 (N.D. Ga. Mar. 6, 2018).